#### **VERMONT**

## Workforce Development Council

## 2006 Annual Report

The Workforce Development Council (WDC) was established in State law in 2006 as the successor to the Human Resources Investment Council, originally established in 1993. The mission of the Council is to ensure that Vermonters have the skills they need to get and keep good jobs, and that Vermont employers have the skilled workers they need to compete in a rapidly changing world economy. The Council advises the Governor on the development and implementation of a comprehensive, flexible and responsive workforce education and training system. The Council is also designated as the State Workforce Investment Board under the Federal Workforce Investment Act.

The WDC is a business majority council, appointed by the Governor, with members representing all sectors of the economy and all geographic regions of the State. In addition, Council membership includes top officials from State agencies and higher education institutions, representatives of labor and the low income community, and representatives of the Senate and House.

Over the past year, the Council has been working on strategies that respond to the trends described in the Council's <u>Workforce Challenge Statement that was released in 2005</u>. This document outlines the demographic and skill challenges that will effect the Vermont workforce over the next decade, and was endorsed by the State's leading business groups.

The WDC is charged in State law with establishing Regional Workforce Investment Boards (WIBs). These twelve regional volunteer boards are the local component of the system, working closely with employers, schools, colleges and community organizations to identify training needs and maximize the effectiveness of all of the State's workforce education and training investments.

2005 saw the release of several significant reports on the workforce. These included the Next Generation Commission, the Business Roundtable, the lake Champlain WIB/Chamber/GBIC, and the newly formed Coalition for Workforce Solutions. The WDC analyzed these reports and has identified a set of common recommendations that represent a consensus on how the State can address its workforce challenges. Copies are available upon request.

# 2006 System-wide Accomplishments:

- Governor's Information Technology Initiative This year the Vt. Department of Labor began
  implementation of a \$1.5 Million three year grant in partnership with the Vermont Information
  Technology Center at Champlain College, Vermont HI-TEC, and Marlboro College that will
  provide information technology apprenticeships, readiness programs, student internships, and
  industry certificates to 129 unemployed and incumbent workers. Over the course of the grant it
  is anticipated that substantial non-federal funds will be generated to match the federal
  commitment.
- Health Care Workforce Committee This year the committee implemented a health careers information dissemination campaign including scheduling visits to high schools, technology centers, and WIBs in order to increase understanding of the opportunities available in the healthcare sector. The shortage of healthcare workers is a critical challenge for a wide range of healthcare providers. The committee has quantified these shortages for more than twenty occupations and has identified strategies and resources for schools, colleges, and health care providers. A copy of this report can be found at: <a href="https://www.hric.state.vt.us/council%20reports.html">www.hric.state.vt.us/council%20reports.html</a>

- Northlands Job Corps Center On July 1, 2005 the competitive contract for operation of the Job Corps program in Vergennes was awarded to a new contractor, ResCare. In 2004, the WDC's Youth Council developed a set of recommendations for better linking the center to schools and to the youth service provider system. The Center is committed to becoming a valued part of the State's youth development system, and has set a goal of increasing Vermont enrollments to 60%, a three fold increase. As a result of an outreach program to guidance counselors and working relationships with eighteen high schools, they are now half way to achieving this goal.
- VSC Technology Extension Division TED at Vermont Technical College provided credit, non-credit and on-line programs to more than 90 employers, and more than 6,500 workers throughout Vermont. Topic areas included: applied mechanics; leadership and managerial skills; customer service; team building; print interpretation; telecommunications; general electronics; semiconductor processing, medical coding and transcription, pharmacy tech, paralegal, records management, six sigma, home inspection, and AutoCad. The Technology Extension Division also provides employers with training needs assessment and training administration services.
- Workforce Education and Training Fund A total of seven proposals were funded in FY 2006. Training was approved for occupations in Health Care, Construction, Information Technology, Advanced Manufacturing and Services. Close to fifty employers, and approximately 150 workers, benefited directly from training that was delivered during the year. One of the largest awards was to UA Local 693, Plumbers and Pipe Fitters, to support the establishment of a comprehensive apprenticeship training program for Heating, Ventilating, Air Conditioning and Refrigeration technicians. HVACR technicians are in great demand to install and maintain today's increasingly complex mechanical systems, and this five-year apprenticeship will train new and incumbent workers for these high paying jobs.
- Vermont Training Program The Vermont Training Program at the Department of Economic Development promotes and encourages the creation and retention of jobs in manufacturing by providing training for new and existing businesses. In 2006, 4,005 individuals completed training programs at 158 companies, and two special programs in ISO 9001:2000 and Lean Manufacturing. Total expenditures for the year were \$1,345,294.
- Apprenticeship The VSC Technology Extension Division, in partnership with the Vt.
   Department of Labor and regional technical centers delivered the required 144 hours of
   classroom instruction to more than 700 registered plumbing and electrical apprentices at
   eight locations around the state. Three of these were new sites that are operated directly by
   the Department of Labor
- Statewide Adult Education and Literacy 2005 saw the adoption of the name "Learning Works" for all programs delivered under the Single Statewide Adult Education Contract first awarded by DOE in 2004. The year also saw passage of landmark legislation that allows youth who have left school without a diploma to receive comprehensive services through Learning Works leading to a diploma from their high school. It is expected to provide diplomas to several hundred students a year when fully operational.
- Technical Education System Reform Reports released by the Business Roundtable, the Next Generation Commission and the Lake Champlain WIB/GBIC point to the long standing problem of access to technical education. The issues include lack of adequate facilities, disincentives in the funding system as well as governance. At the same time, DOE led reform efforts at the regional technical centers are producing positive results including

improved performance on academic assessments, adoption of Industry Skill Standards in most programs, and an increased rate of entry into postsecondary programs.

- Federal Competitive Grants The Department of Labor concluded a multi-year Federal H1-B competitive grant that trained over 2,900 individuals for highly skilled information technology and healthcare jobs. This grant totaled over 2.9 million dollars and attracted more than four million dollars in private sector matching funds.
- National Science Foundation Grant This year saw the continued implementation of this \$600,000 grant to VTC through a partnership of the WDC and DOE that supports the development of a comprehensive new Information Technology Associate Degree program. The project supports the costs of professional development, a new course structure that will support more flexible IT degree options, and stronger connections between secondary and postsecondary IT programs. The second class of 30 students was enrolled in September.
- Disabled Youth Career Start Grant 2006 was the third year of implementation of three local school/community/employer collaboratives that address the poor academic performance and low rates of college and job entry of youth with disabilities. The project is a partnership between the WDC, local WIB's, and the Departments of Vocational Rehabilitation, Labor, and Education. Multi-year projects are underway in the Bennington, Randolph, Burlington regions.

## Regional Workforce Investment Boards:

The Regional WIBs continued to work on addressing the workforce needs of specific employment sectors in their regions that are experiencing shortages of skilled workers, such as construction, healthcare, manufacturing and information technology. As the local eyes and ears of the system, the WIBs target key shortage areas, assist in the development of grant applications, and implementing training solutions.

Other WIB activities in 2006 included; organizing local groups of employers to apply for training grants from the Vermont Training Program (VTP), overseeing implementation of Career Start projects for youth with disabilities, and organizing Career Fairs. WIBs also play an important role in the review process for Workforce Education and Training (WETF) Grants by working with employers to identify skill needs, reviewing all applications to make sure the proposed projects meet real local training needs, do not duplicate existing services, and will lead to good jobs.

## Challenges for 2007:

Vermont faces significant workforce challenges that have been identified in numerous reports. These challenges have serious implications for the ability of Vermont companies to compete.

First, there are not enough workers to support economic growth;

- The supply of workers in Vermont is expected to grow at a rate of only 1.5% per year over the next 10 years, down from an average of 5% a year since the 70's.
- Vermont's workforce is older than the average in most other states, and as baby boomers retire, a large number of skilled workers will leave the workforce.
- From the 1990 census to the 2000 census Vermont had a 19% decline in the 20-34 year old population.

• There will be an 18% decline in Vermont's high school population over the next ten years.

Second, much higher skills are required to get and keep a good job than in the past, and skilled workers are increasingly difficult to find;

- Over 70% of employers interviewed by the regional WIBs reported that they have passed up opportunities to expand their businesses because they could not find workers who could handle what would be required.
- Good jobs that were once available to workers with limited academic skills now require strong skills in reading, communication, math, and the use of computers.
- Those without a high school diploma earn only 65% of the US average wage. High school graduates earn 83%, and those with a bachelors degree (or other industry specific credentials) earn 131%.
- Employers invest more in skilled workers. Half of college graduates receive training on the job, but fewer than 20% of school dropouts receive such training.
- Of the top ten fastest growing jobs in Vermont, seven require two year college degrees or more for entry, and two others require specific post-high school training.
- Specialized information technology, software, and computer skills are required in 95% of jobs in banking/insurance, graphics/printing, and healthcare.

To address these challenges, we will focus on education and training strategies to increase worker productivity, move underemployed Vermonters into good jobs, and meet the needs of employers for skilled workers.

#### Plans for 2006:

- The Council will be working with it's partners to develop specific strategies to address the issues raised in the "Workforce Challenge Statement" that describes the impact that the changing economy will have on the State's workers and employers.
- Continue to respond to the workforce needs of the Healthcare and Information Technology sectors with new and innovative training solutions and complete work on the assessment of training needs and opportunities of the Construction Sector
- Expand partnerships with leading business and trade associations to build consensus on strategies to address worker skill shortages in key economic sectors across the State.
- Continued successful implementation of the Workforce Investment Act, including exceeding
  performance objectives in order to qualify for WIA Title V performance incentive grants, and
  the development of a new State Plan for implementation of the reauthorized Workforce
  Investment Act.
- Further expansion of Industry Recognized Skills Standards in training programs, so that; education and training providers can develop curriculum that is clearly linked to employer

expectations, worker skill gains are formally documented, and credentials can be transferred across institutions and workplaces.

• Continued support for implementation of the new broad-based governance structures for comprehensive Technical Education/Workforce Development Centers in partnership with the Department of Education.

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